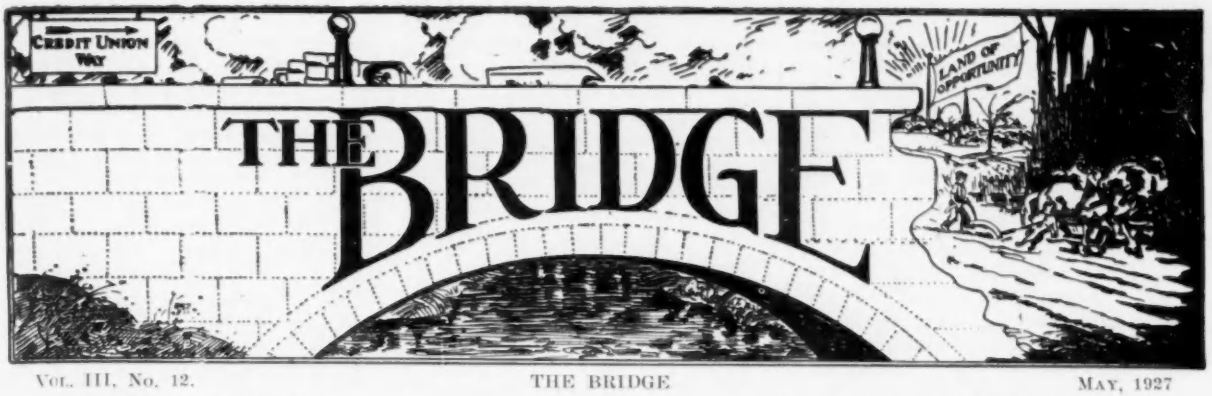


VOL. III, No. 12. THE BRIDGE MAY, 1927

IN NEBRASKA.

In the year 1919 the Nebraska legislature passed an Act (Chapter 198 Session Laws 1919) entitled "Coöperative Credit Associations, An Act to authorize the establishment of cooperative credit associations, to provide for their organization and regulation and to provide penalties for the violation of this Act." The bill was introduced by Mr. Wildman and, in eight years, the law has never been used.

There are more ways than one of killing a cat, and those who oppose credit union legislation try first to prevent any bill at all from being enacted and, failing that, they do their best to put something in the law which will make it inoperative or leave out something which is essential to its motive power. The Utah union law, for example, is of no value because it provides for a substantial paid in capital stock prior to operation by any group trying to form a credit union in accordance with its provisions. It is a fundamental principle of credit union organization that the capital consists of what, at any given time, has been paid in on shares; that it must be easy to start a credit union and inexpensive.

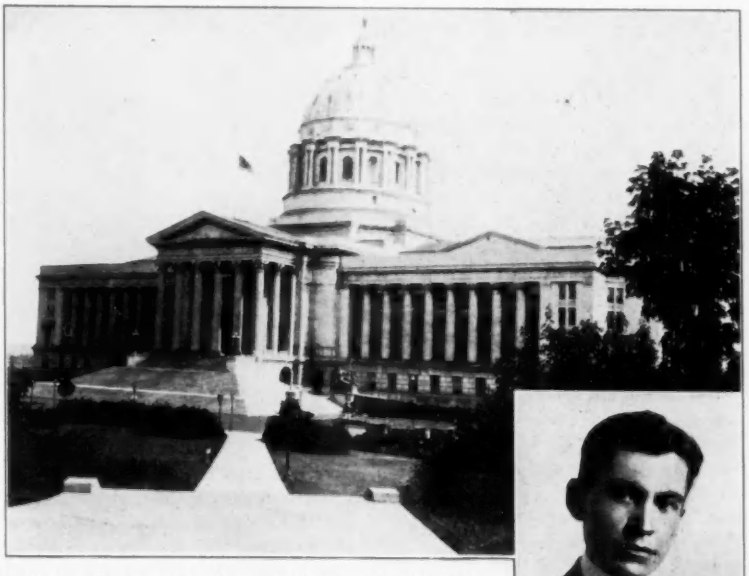
The Nebraska law omitted the provision allowing the credit unions to take deposits from their members and was in other ways defective.

The long sustained effort of E. P. Wilson, a member of the State Legislature from Chadron, Nebraska, has at last been rewarded and his perfecting amendments, bringing the Nebraska credit union law into conformity with good credit union legislation were enacted at the recent session of the Nebraska legislature. I am not certain as to just how far back his effort to amend the law goes. I have before me as I write, a letter from Mr. Wilson dated April 6, 1925, in which he writes: "In the recent Nebraska legislature my credit union bill passed the House. I was not able to get a hearing before the Senate Committee on Banking. . . . since the bill was killed in the House Committee two years ago, I felt that some progress had been made." So we know that a bill was offered and killed

(Continued on Page 2)

MISSOURI LAW ENACTED

TWENTY-SIXTH STATE ADDED



MISSOURI STATE CAPITOL, JEFFERSON CITY, MO.

HENRY J. JACOBSMEYER

The Missouri legislative campaign goes back to the infancy of the Bureau in 1921, has been with us all through our childhood and middle age and at one time threatened to be still with us in 1929 when the Bureau is getting ready for its own funeral, which is scheduled for March 1st, 1930. The success of the effort in the 1927 legislature is due to a variety of circumstances and to the united support of some very capable folks who had the campaign in charge. It doubtless was also favorably affected by the foundations put in by the effort carried on in the 1925 legislature.

This year the Catholic union of Missouri favored the bill and acted as sponsor of it as the result of resolutions passed at annual convention of the Union at Hermann, Missouri, May 17th, 1926. A part of the Resolution, adopted by unanimous vote of the Convention, read: "As a necessary requisite for the development of these societies (credit unions) we urge the adoption of a suitable law enabling them to function securely."

In order to carry this resolution into effect a very strong committee was appointed, headed by Henry J. Jacobsmeyer, Esq., an attorney of St. Louis. This interest on the part of the Catholic Union was due in the first place to interest in the subject on the part of Mr. F. P. Kenkel, Director of the Central Bureau of the Catholic Verein of America, and the long sustained and very active interest in credit unions evidenced by Mr. Aug. F. Brockland, Assistant Director. It

(Continued on Page 7)

IT'LL BE DIFFERENT

The June issue of the BRIDGE will be Volume IV, Number 1. We haven't the slightest idea right now how the birthday party will be celebrated because we're too busy with many other things, but one thing you may be sure of—*the June BRIDGE will be different!* Watch for it!

IOWA AND MISSOURI TRIP PLANNED

The last field trip before vacationing will include several days in Iowa where Father Campbell and Mr. Bergengren are going on a trip to organize several rural parish credit unions. Father Campbell writes that he has five groups ready and the Bureau has been circularizing several others. That trip will probably take until early in July when the Missouri law becomes operative. Mr. Bergengren hopes to get six or eight Missouri groups operating as soon as possible after the law goes into effect.

IN NEBRASKA IN EARLY SEPTEMBER

There are several groups within which credit unions can be effectively organized under the recently amended Nebraska credit union law as soon as the amendments become operative. As Mr. Bergengren will be on vacation during August, the closed season for credit unions so far as he personally is concerned, a trip is planned for early September. The law becomes effective in August.

FIRST RETURNS FROM CEDAR RAPIDS

There is always a "kick" in the first report received from a credit union organized at a distance after some time has passed and we have been wondering how it is getting along. Such a report came in the other day from Mr. Joseph E. Coenen, Treasurer of the Cedar Rapids Postal Employes Credit Union of Cedar Rapids, Iowa. Mr. Coenen writes: "When we started last January we thought if we loaned five hundred dollars the first year we would do fine; to date we have loaned (the credit union was organized about six months ago) about $1400. We have gone far beyond our expectations and have about 225 shares subscribed." His consolidated statement for April shows assets of $1,154.59 and total loans outstanding of $1,135.82. The credit union has sixty members and twenty borrowers. It is extremely good news that the initial credit union in Cedar Rapids is doing so well. Some one of these days one of the members of this credit union will get another group interested at Cedar Rapids—in a factory, store or mill—or a church parish group or possibly the city employes.

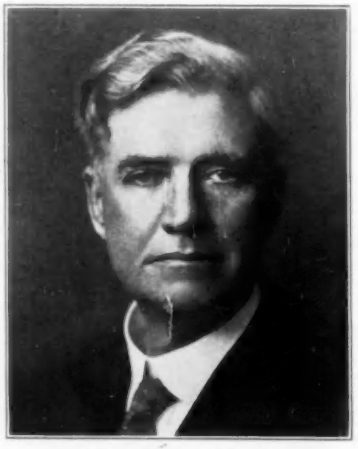
Mr. Bergengren's May trip South includes stops at Washington, D. C., Charleston, West Virginia, Richmond, Virginia, Columbia and Charleston, South Carolina, Atlanta, Augusta, and Columbus, Georgia, New Orleans, Louisiana, and Louisville, Kentucky.

IN NEBRASKA.

(Continued from Page 1)

in the House Committee, in 1923, offered and passed in the House and perished in the Senate Committee in 1925 and finally enacted in 1927.

Writing March 5, 1925 Mr. Wilson said: "You will, I think, understand that I do not intend to lie down even though we do not get across with this measure at this session of the Legislature. . . . I am sure that if they (the farmers) once understand it well enough it will be ultimately enacted into law in Nebraska." All through the correspondence is this note of certainty that the perfecting amendments will be eventually enacted.



HON. E. P. WILSON

I find that through the various campaigns Mr. L. S. Herron of the Farmers Educational and Coöperative State Union coöperated effectiyely but, for the most part, Mr. Wilson plugged along alone. Somehow or other, from the very start of the 1927 campaign it seemed that his efforts were to be finally rewarded. On March 10 Mr. Wilson wrote that the bill had been reported out of Committee for General File. It passed the Committee of the Whole of the House Mar 25. The battle was waged around the deposits provision, as from the very inception of this legislation in Nebraska in 1919. A letter of April 8 told of the enactment of the bill by the House and that it was successfully out of the Senate Committee. This letter near gave me heart failure as it discussed what we would do to organize credit unions in the event the law were enacted.

We all have our pet superstitions. I find the 13th a rather lucky number and do not hesitate to walk under ladders or to spill the salt whenever I feel like it, but there is a jinx in any letter which discusses just how we will use a credit union law written in the closing days of a legislative campaign when a bill has only one stage to go; but one fine day in early April came in a letter containing a copy of the bill as enacted.

So, eight years after the bill was originally passed, it has added to it by Mr. Wilson's untiring efforts the amendments which will give it motive power. There's something rather fine about a long-sustained effort like this to accomplish a disinterested public service. We hope to organize some credit unions in Nebraska once the law becomes operative (ninety days after adjournment or the latter part of July) and there should be credit unions, both urban and rural, in Nebraska, an ever increasing reminder of the fine service rendered to the State by E. B. Wilson of Chadron.

DO CREDIT UNIONS ENCOURAGE EXTRAVAGANCE?

by V. E. Dillon

The other day we got a letter from a good friend of credit unions, Mr. V. E. Dillon of Tampico, Mexico. Mr. Dillon has this to say about the BRIDGE: "I am glad to see that the original BRIDGE, a little foot-bridge once, as it were, is fast becoming a solid structure for really heavy traffic needs." Thanks, Mr. Dillon—it's pleasant to have folks like the BRIDGE. The letter enclosed two short articles which we were very glad to get. We are printing the first of them herewith.

Some time ago a friend of mine assured me that Coöperative Credit Unions were not necessary in the United States because most good firms there would readily make a loan to a trustworthy employe for legitimate emergencies; and, added this gentleman, if the loans which the Credit Unions make to their members are not for most urgent cases, then they only encourage extravagance, a sin for which an employe should be dismissed.

To this I replied that, by conducting their own Credit Unions, employes saved their firms much time and trouble and learned much that was useful in organizing and conducting business affairs, besides developing executive capacity and character.

As for extravagance, said I, for every person who obtains a loan, probably nineteen others have saved the money that makes up that loan and have therefore learned thrift. Five per cent of extravagance, even if we admit it to be such, is not a bad investment in return for 95% thrift.

EDITOR'S NOTE. As a matter of fact every credit union law provides that loans may be made only "for provident purposes"; the term "provident purpose" has been interpreted to mean that "the loan must promise to be of real benefit to the borrower." It has been my experience with credit unions in 24 states that they serve as a very practical deterrent to extravagance. It has also been many times demonstrated that a creditor-debtor relationship between employer and employe is not a wise arrangement.

NEWS FROM THE PIONEERS

MISS FRANCES P. HABERN
Massachusetts Editor

A YEAR AT THE G. E.

To quote from their House Organ:

"April 23, 1927, marked the anniversary of the birth of the Credit Union in the West Lynn Plant of the General Electric Co. Although the charter was granted March 29, 1926, the first entry in the books was made on the above date. Since that date, . . . we have grown from a membership of 78, with assets of $69.25 to a membership of 342 with assets of $7,041.20.

"To sum up briefly—in the year the credit union has started 342 people saving systematically, served 195 people in the time of real need, paid interest on deposits quarterly at the rate of 4½%, paid 8% dividends on shares Nov. 16, 1926, and has never lost sight of the object for which it was organized, best expressed in Section 2 of Article one of its By-laws:

"The object of this Credit Union is wholly coöperative being organized solely for the promotion of thrift among its members by the accumulation of their savings in small amounts, and the loaning of such accumulations to its members only, for provident purposes, at moderate rates of interest."

"TELLING" FIGURES

A few comparison figures taken at random from Massachusetts Credit Union statements:

Name of Credit Union.	*Assets May 1, 1927*	*Assets May 1, 1926*	*Gain*
F. C. A. (Filene's), Boston	$259,229.	$241,207.	$18,022.
Hygrade (Hygrade Lamp Co.), Salem	31,656.	27,556.	4,100.
La Caisse Populaire de Lawrence	115,986.	100,717.	15,269.
Neponset (Bird & Son), E. Walpole	66,488.	54,220.	12,268.
Norton, Worcester	54,603.	28,356.	26,247.
Peoples, Winthrop	190,250.	137,714.	52,536.
Skandia, Worcester	1,192,377.	1,153,540.	38,837.

With figures on only seven credit unions there has been a gain of $167,279.

ANNUAL SPRING CONVENTION OF MASSACHUSETTS CREDIT UNION LEAGUE.

It's getting to be rather a habit—this remark we hear after each Delegates' Meeting: "That's the best meeting the League ever held." Perhaps this is because the last meeting is freshest in our memories. But the Convention held on Saturday, April 30th, at the Boston Chamber of Commerce certainly was the best ever held.

The Convention was well attended by representatives from credit unions from all parts of the State: Worcester, Springfield, Brockton, Salem, Chelsea, Malden, Framingham, Lowell, Cambridge, New Bedford, Fitchburg, Waltham, Lynn, etc., with a goodly number from our home city. It was also gratifying to see so many new faces.

The afternoon session was one of interest. Many questions of vital importance to credit unionists were asked, answered and discussed. The session was in charge of our President, Charles W. Harvey, who efficiently answered the numerous questions put by the delegates and the members attending.

The discussion of a central clearing house for credit information brought much argumentation and the matter has been left for the League to ascertain how many credit unions are in favor of establishing such a bureau.

ORGANIZATION INTEREST STILL GROWING.

Five more credit union petitions were heard on Thursday, May 12th, before the Board of Bank Incorporation, all of which were granted.

From such figures as are available at this time, there are something like three hundred credit unions now actively operating in Massachusetts.

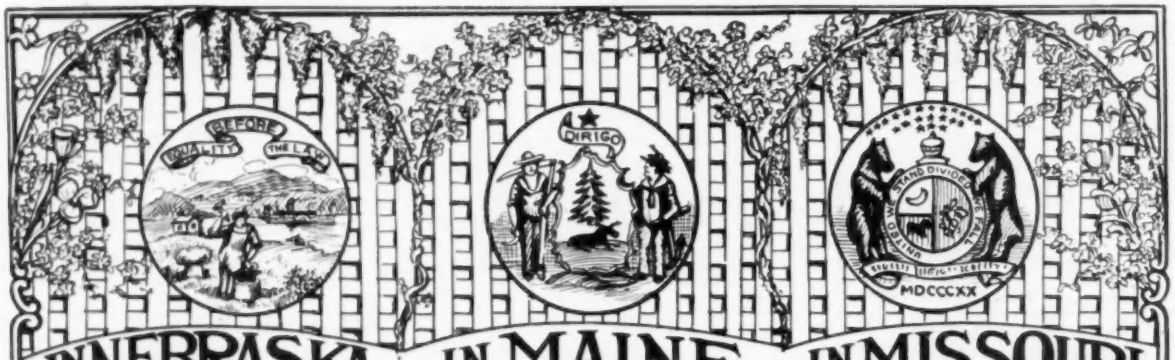
A petition has been filed by the Brockton Ancient Order of Hibernians, and there are still others pending.

THIS RATES A SPECIAL MENTION.

Joe Campana, Treasurer of the Social Service Credit Union, wrote us, "Note the big increase for the month": Total Receipts for March, 1927, $6,404.80; for April, 1927, $12,733.11, showing an increase of receipts in one month of $6,328.31.

An excellent banquet was served at six o'clock to about two hundred members. During the banquet the Chamber organist gave us a lovely concert, and an entertainment followed which was voted the best ever.

The speaker of the evening was Mr. David S. Brodeur of the Brockton Credit Union, who very enthusiastically lauded the credit union movement and spoke of the excellent work being done by those interested. Mr. Brodeur is one of the pioneers in the movement and is well versed in the work.



IN NEBRASKA

The Nebraska co-operative credit association law (enacted in 1919) has alway reminded me of the little girl who asked: "Mother, may I go in to swim." You doubtless remember what mother said: "Yes, my darling daughter! Hang your clothes on a hickory limb—but DON'T go near the water!" There's been a credit union law in Nebraska for eight years but never a credit union. Mr. Wilson, whose splendid effort to promote credit unions in Nebraska is elsewhere described in this issue, has brought to pass the amendments to the Nebraska law which supply it with motive power.

This successful campaign calls attention again to the fact that it is often impossible to get at first the sort of credit union law enacted that will make certain the best type of credit union organization. It has always been the plan of the Bureau to offer a good bill in a new State based on the credit union experience in other states and to make amendments only as these amendments may be necessary to save the principle of credit union legislation. We always figure a half loaf to be better than no loaf and we draw the line only at amendments which will entirely destroy the purpose of the bill. The Utah credit union law is of practically no value because it contains a fatal defect; the Illinois law, on the other hand, is not typical and is very restrictive and yet permits credit unions to operate. The New Jersey law should be amended to permit other groups to organize than those within industrial units. The Virginia law makes the business of organizing a credit union too expensive, but we find in all these states that some progress can be made and progress is the main thing.

As the credit union plan becomes better understood perfecting amendment of existing laws will become less difficult.

IN MAINE

There were credit union bills pending this year in Maine and California. The Maine campaign had an interesting outcome which is also a bit puzzling. A few years ago telephone workers wanted a credit union in Maine and the legislature very readily passed a Special Act authorizing the organization of the Telephone Workers Credit Union of Maine. This year employes of the Maine Central Railroad wanted a credit union and those interested offered a bill for a general law, like the credit union laws in 26 other states. It was rejected, whereupon two days before the legislature adjourned, a special act was promptly enacted without a dissenting vote to enable railroad workers to organize a credit union. The puzzle is to determine why, if telephone workers and railroad employes can organize and conduct credit unions properly — postal employes and school teachers and the other sort of groups organized under general laws cannot do likewise. It's an odd way to make credit union progress—something like building an individual pair of stairs for each upstairs room in a big house—but the progress made is the important thing and there are ten thousand folks eligible to this second Maine credit union! Hats off to Mr. Harold J. Foster, whose successful efforts are elsewhere described.

We anticipate that his credit union will duplicate the great success of the credit unions of railroad employes now operating on such lines as the C. & O., the B. & M., the C. R. I. & P., the Illinois Central, the Union Pacific, the C. & E. I., the Southern and several others. The way was paved for the enactment of this law by the exceptional success of the Telephone Workers Credit Union of Maine. Mr. Charles F. Donahoe co-operated most effectively.

It is inevitable that the success of credit unions, organized and operating under Special Acts will so demonstrate the value of the system that a General Law will be forthcoming in due course.

IN MISSOURI

I knew a man once who, after embezzling a goodly sum of money from a group of widows and orphans and hospitals and folks who trusted him, shot himself quite dead. He left behind a note which read: "If you think it is easy to commit suicide—try it!"

I am often reminded of that incident when I look back over a hard-fought legislative campaign. I have been through thirty of them. There are quite logical reasons for the difficulties which always confront credit union legislation: to begin with there is no great selfish impulse behind the effort. No one is going to make any money out of credit unions; no one is going to step forward and, with a few well chosen words, present a credit union organizer with a medal, a purse of gold or a vote of thanks. The satisfactions to be derived from credit union work are essentially satisfactions of the soul.

Furthermore, private money lenders doing an illegitimate business have something to gain personally by defeating credit union legislation. The usurer knows what the credit union in the long run will do to his business.

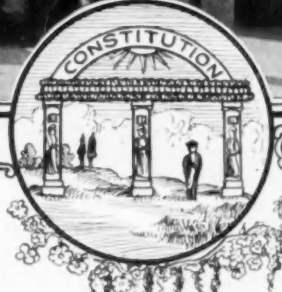
Then there are what might be called the "unconscious allies" of the usurer. Whenever a state governor vetoes a credit union bill he doesn't intend to help usurers but he does help them very materially indeed; when bankers and building and loan folks oppose credit union legislation they are simply doing, unwittingly, for the usurer what he would do openly if he dared. Fortunately it so happens that there are many bankers and building and loan officials of broad vision who always help the credit union legislation.

But what has all this to do with Missouri? Nothing, except that, thanks to very effective efforts of those good citizens of that State whose campaign is elsewhere described Missouri is the 26th State to enact a credit union law.

IN GEORGIA

THE theory of the credit union is a fine theory and it's lots of fun to talk about it; but the credit union in effective operation is the proof of the excellence of the theory. When in a state there is not only a credit union law but also a credit union demonstrating that the law will work, there's a sort of sense of accomplishment that pays for many long, disappointing days when we were struggling to make even a single credit union possible. This picture of the First Annual Convention of the Credit Union League of Georgia is the proof positive of a great accomplishment by George M. Gentry, J. L. R. Boyd and their associates in the League. The League was perfected on March 30th. On April 14th the first Convention of the League was held at the Junior Chamber of Commerce at Atlanta. The meeting was called to order at 12.15 P. M., when Dr. Herbert B. Kennedy, President of the Junior Chamber, welcomed the delegates. He was followed by Mr. George W. West, President of the Atlanta Chamber of Commerce who stressed the importance of a rapid credit union development. The next speaker, Hon. A. B. Mobley, Superintendent of Banks, assured the League of his co-operation in the administration of the law.

The business session opened at 1.30 P. M., with President George M. Gentry presiding. Mr. Horace Russell, Secretary of the Georgia Building and Loan



GEORGIA CREDIT UNION LEAGUE

Association was the first speaker after the business session. Mr. Edward M. Steimle, Secretary of the Georgia Industrial Lenders Association discussed the small loans problem in the State and Mr. J. P. McGrath, Secretary of the Georgia Manufacturers' Association, spoke of the possible development of credit unions within industrial units. Mr. Wilton W. Bell, Cashier of the Federal Reserve Bank, spoke of the credit union as a constructive solution of the small credits problem and Mr. L. P. Marquardt, Secretary of the Georgia Federation of Trades pointed out the value of the credit union to the worker. In the absence of Mr. Benjamin B. Baker, Secretary of the Atlanta Chamber of Commerce, his careful address was read by J. L. R. Boyd, Esq., Counsel of the League. Major Boyd, who is chairman of the Legal Aid Section of the Chamber of Commerce, spoke of conditions which could be remedied by a rapid expansion of Georgia credit unions.

Various resolutions, particularly a resolution of recognition to Edward A. Filene, for his work incidental to the national development of credit unions, were adopted.

This most successful meeting was made possible through the very effective co-operation of the Chamber of Commerce and particularly by the Junior Chamber, which latter organization did such effective work last summer in exposing usury in Atlanta.

IN MAINE.

We learned, relatively early in the history of the Bureau, that half a loaf is much to be preferred over no loaf at all and that a good thick slice isn't to be despised, particularly if there is plenty butter on it and it's good bread. So the outcome of the effort to further credit union legislation in Maine is not at all disappointing despite the fact that a general law was not enacted.

There has been for some time a very successful credit union in Maine, operating under a Special Act of the Legislature of a few years ago which permitted telephone workers in the State to organize a credit union. This year the 1927 legislature was well along on its legislative career when one or two employes of the Maine Central Railroad reached the conclusion that a credit union of Maine Central employes would work as well as any of the rapidly increasing number of credit unions of railroad employes in other states. Mr. Joseph T. Welch called in at the office of the Bureau well along in February and two general drafts for a bill were hastily drawn. Mr. Welch did not remain long in charge of the effort and the next contact established by the Bureau resulted from a letter from Mr. Harold J. Foster and draft "B" was offered. It became House Document 363 and was listed for a hearing March 24 before the Judiciary Committee. Charles F. Donahoe of the Credit Union League and others coöperated with Mr. Foster, and the bill was apparently favorably received and so reported.

It looked for a day or two as though a miracle had happened; that a general credit union bill was going to be enacted without all the usual hard and prolonged campaigning. We haven't found out yet what happened; the legislature was almost at the end of its session and the bill was recalled by the Committee and there it apparently was breathing its last when Mr. Foster moved faster than we have ever known anyone to move before; he caused a Special Act to be drafted and esubmitted to the Judiciary Committee and it was passed through all the various legislative stages in record time.

The Special Act incorporates the Railroad Workers Credit Union of Maine and we understand that there are 10,000 railroad employes in the State eligible to membership in it. The law becomes effective in July and it is anticipated that one of the largest and most influential credit unions in the United States will result. It sure will if Mr. Foster has anything to do with it!

CHIEF OF THE CREDIT UNION DIVISION IN MASSACHUSETTS.

Something About Oreb M. Tucker.

No other phase of credit union development in any state is so important as the attitude of the State Department having credit union supervision. A sympathetic attitude on the part of the Chief in charge of Supervision means everything to the progress of credit unions in any State. By "sympathetic" I do not mean lax; a lax, careless, administration of credit unions would be worse than no supervision at all. Credit unions are managed, for the most part, by officers who are without previous training in the management of financial institutions and it is essential to their well-being that they be properly managed, thoroughly examined at least annually, that they make accurate reports, that they live up to the strict letter of the credit union law and to good

OREB M. TUCKER

credit union practice and that they conform rigidly to the rules and regulations established for their government by the State Banking Department.

In Massachusetts, the pioneer credit union state, there is within the State Banking Department a Division of Coöperative Banks (building and loan associations) and Credit Unions. This Division is in charge of Mr. Oreb M. Tucker, who has been associated with the State Banking Department for twenty-five years. Since the revision of the Massachusetts credit union law in 1926 the number of credit unions in the State has trebled, and one of the problems incidental to the changes in the law has been the transition of a large number of savings and loan associations, operating under various plans, to the credit union plan of operation. As may well be imagined this transition has required infinite tact and patience on Mr. Tucker's part, coupled with exceptional skill in handling the almost innumerable problems of adjustment incidental to the transfer. It would be impossible to overestimate the debt of gratitude owed to Mr. Tucker not only by the new credit unions which have resulted from the revised law but by the credit unions in general in Massachusetts which are very vitally affected by the present status of rapid credit union development in the State.

Mr. Tucker was born in Boston on June 17, 1875, the One Hundredth Anniversary of the Battle of Bunker Hill. On July 15, 1897, he was first employed by the State in the Treasurer's office and transferred to the Department of Banks November 1st, 1902. On February 3rd, 1913, he was appointed Chief of the Department of Coöperative Banks (the designation given in Massachusetts to building and loan associations). At that time there were 162 banks of this sort in the State with assets of $74,484,048. In 1912, by Act of the Legislature of that year, these banks for the first time came under the supervision of the State Banking Department. These banks during Mr. Tucker's very able administration of that Department have grown in number until there are now 220 of them with assets of $425,500,000.

In April, 1922, after several other members of the staff of the Department had had for relatively brief periods administration over credit unions, these institutions, then beginning to show signs of real growth, were added to Mr. Tucker's department and he began in systematic and sympathetic fashion to improve their standards of operation. He had much to do with the revision of the credit union law and the satisfactory condition of credit union legislation in Massachusetts is largely a monument to his work. Under the present Bank Commissioner, Hon. Roy A. Hovey, who will always be remembered by credit unionists in Massachusetts as the Bank Commissioner who gave credit unions recognition and impetus and friendly direction, Mr. Tucker has jurisdiction over 300 credit unions and 220 coöperative banks. He has won the highest respect and esteem among all credit unionists in Massachusetts.

SAVED FOR THE JUNE ISSUE.

In April we used part of the material about an article in *Mountain Life and Work*, having to do with the credit union at Brasstown, intending to publish the rest of it this month; since then we have received some most interesting news material about this credit union and a fine picture so we are going to save the whole business for the June (anniversary) issue.

MISSOURI LAW ENACTED.

(Continued from Page 1)

was due to Mr. Brockland's keen interest in the subject that Mr. Bergengren was invited to address the meeting at Hermann.

This legislation had, however, other equally strong support in the State. For some years the State Department of Agriculture has been particularly interested. Back in 1922 the Bureau was corresponding with John F. Case, President of the Board, and the very efficient and active secretary of the

JOHN F. CASE

Board, Mr. Jewell Mayes. Mr. Case is also editor of the *Missouri Ruralist*, one of the most influential of the farm publications in the Middle West. He has from time to time given the subject very valuable publicity and Mr. Bergengren met with the State Board in both 1925 and 1927. Further, Mr. Mayes first contacted the Bureau with the law firm of Otto & Potter in Jefferson City and both Robert W. Otto Esq., and James A. Potter Esq. worked very effectively for the bill; without their coöperation enactment of a credit union law in the 1927 session would have been impossible. Mr. Potter presented the case for the bill in masterly fashion before the Committee on Banks, and interested many members of the legislature in it. The bill was introduced and sponsored in the Senate most effectively by the Hon. James S. Summers of Kansas City and in the House was so fortunate as to attract the attention and active support of Hon. J. C. McQueen of Wheaton, Hon. William R. Schneider of St. Louis and Hon. Jerome Walsh of Kansas City. Many other members of the legislature coöperated actively as the bill came up in various stages for legislative action.

The effort to enact a credit union law in Missouri has had an interesting history. I find a letter from Edward J. Troy Esq., of St. Louis, dated January 4th, 1923, in which he agreed to represent the Bureau in an attempt to secure the enactment of a law. This effort made no progress because of the untimely decease of Mr. Troy at just about the time the bill was to be presented. It was a beginning, however, and the effort was renewed in 1925 when William M. Ledbetter of St. Louis of the firm of Ledbetter & Marshall took the matter in hand. Mr. Ledbetter is a member of the National Advisory Council of the Bureau and his work was particularly effective from the viewpoint of developing interest in the subject in Missouri, much of which interest was turned to excellent account as supporting strength for the bill in 1927. The bill was opposed in the 1925 session by the representatives of the building and loan associations and, while a very active campaign in its behalf was conducted by Mr. Ledbetter, it failed of enactment.

The combination of the Catholic Union, Mr. Brockland, Mr. Jacobsmeyer, Mr. Mayes, Mr. Case, Mr. Otto and Mr. Potter, with the active support of the members of the legislature already enumerated, proved irresistible this year, and the 1927 bill, after undergoing a process of amendment was finally enacted and signed by the Governor. It becomes effective in July. Missouri is the 26th state to enact credit union legislation.

DIRECTORS—RICHMOND POSTAL CREDIT UNION, INC.

Reading left to right—Front row: Edward J. Byers Jr., Edward L. Field, President; Robert E. Monsell, 2nd Vice-President; Postmaster Joseph W. Stewart and H. M. Lawler; Second row: A. S. Dinwiddie, Secretary; George F. Childress, 1st Vice-President, and William L. Lorch; Third row: F. A. Quinn, Treasurer; Charles L. Kaufelt, and J. C. Kennedy; Back row: Harry Wood and Charles I. Robinson.

The Richmond Postal Credit Union, Inc., was the first credit union organized in Virginia and, as the result of its success, other credit unions of postal employes have been organized in Virginia at Danville, Lynchburg, Norfolk, Petersburg and Roanoke. This first Virginia credit union was organized in November, 1923, with 25 members and a total stock subscription of $250. Its present membership is somewhat in excess of 300; its capital stock approximately $25,000, and its total loans service to date somewhat in excess of $100,000. The reserve and surplus now amounts to more than $2000, and its net earnings have been in excess of $5000. Mr. Field, who, incidentally, is doing a great deal to further credit union progress in Virginia, writes: "In addition to the small loan business, we have purchased group insurance, coal at wholesale prices and articles of wearing apparel. . . . we look for a very rapid growth during the next three years."

JAMES A. POTTER

HERE'S A MIGHTY GOOD THRIFT STORY

Continuing our plan of reproducing in the BRIDGE (through courtesy of the authors and Telephone Topics) some of the excellent thrift stories resulting from the recent contest conducted by the Telephone Workers' Credit Union we have great pleasure in publishing this month Theodore F. Moore's story which, incidentally, won first prize in the contest.

Thrift Plans Helped Me Own My Home and a Tidy Bank Account.

By Theodore F. Moore.

About seven years have elapsed since my welcome discharge from the A. E. F., in not a penniless condition it is true, but still quite handicapped by about two years' service in that organization, which is not noted for high salaries. Since that red-letter day my average annual salary has been about $2600.

After accumulating sufficient coin of the realm to warrant embarking on the sea of matrimony, I sent the young lady a bunch of red roses, took a box of candy under my arm and tucked a ring in my vest pocket.

Thus armed I "popped" the fatal question, and have been married six years. Today I am the proud father of two children, have maintained a car for five years, own an equity of approximately $3,500 in a $10,000 home (mortgage held by the Telephone Workers' Co-operative Bank), have five shares of A. T. & T. stock and $2,000 in the bank (Telephone Workers Credit Union), carry a modest amount of life insurance, etc.

Although I do not claim that the above entitles me to a write-up in the leading magazines, I believe it indicates, without question, the workings of a fairly satisfactory system

MR. THEODORE F. MOORE

of thrift which happens to be based almost entirely on the use of the thrift plans and organizations for telephone employees.

In the first place, my "outgo" has been and still is controlled by the use of a budget plan which has varied considerably from the original set-up worked out by my wife and myself when we first started housekeeping. This variation is the natural result of the ever-changing living conditions, and should not be considered in any way to the disadvantage of a budget plan.

This budget has always allotted a reasonable percentage of my salary to the "Savings" account. At first my saving allowance was invested in monthly payments on shares of A. T. & T. stock. As my salary increased, it was found possible to put by, at regular intervals, a small additional amount in the Credit Union, making use of the "Deposit" account on which interest is figured from the first of each month and paid quarterly. Funds in that account are more available for emergencies than in the "Share" account, as the quarterly interest payments reduce the possibility of loss of interest due to necessary withdrawals.

As I became able to increase the deposits in the Credit Union, I took advantage of the higher rate of interest paid on funds credited to the "Share" account, leaving only enough under "Deposits" to care for possible emergency needs. Finally, my wife and I, after considerable thought, decided to buy a lot and build a home of our own, designed to suit our particular ideas, which had gradually been crystallizing during the first years of our married life.

At that particular time, although sufficient cash had been accumulated in the "Share" account to buy the land, a fairly heavy loss of interest would have resulted by withdrawing the necessary amount. (It was then somewhat beyond the middle of the Credit Union's fiscal year.) On discussing the matter with the officials of the bank, who are always ready and willing to advise, I was informed that by pledging a part of my bank deposits as security for a loan, I could obtain the money required at a lower rate of interest than that paid on "Shares" and in addition not lose any interest on my deposits. The amount borrowed was to be repaid in weekly instalments ($2 for each $100 loaned), extended over the period of a year. Under these very reasonable terms, I borrowed the money and purchased the lot.

Then, once again, I made use of the facilities offered by a thrift organization for telephone workers this time the Co-operative Bank. With a deed for the land in hand, together with plans and specifications of the proposed home, I applied for a first mortgage loan with which to finance its construction. After all the necessary formalities had been complied with, the house was built and paid for with money advanced by my associates, which I am returning in monthly payments deducted from my salary. Although some of my fellow workers may feel that it is more desirable to receive their full salary first, making each payment personally when due, I favor authorizing the Treasurer of the Company to make the payments for you. Thus no payment dates have to be remembered, and somehow or other it doesn't seem to hurt as much.

THE CREDIT UNION HELPED MR. MOORE BUY HIS HOME.

I am not going to lay down any set rules for "thrifting." The popular saying, "What is one man's meat is another man's poison," is probably familiar, in one form or another, to all of you.

However, I do feel that the above brief personal history points out clearly the existence of very favorable facilities for saving within our Company (financed and managed by fellow employees), and at least a few practical methods of making use thereof. I am very grateful to the originators and management of these organizations, and strongly recommend the use of them to others.